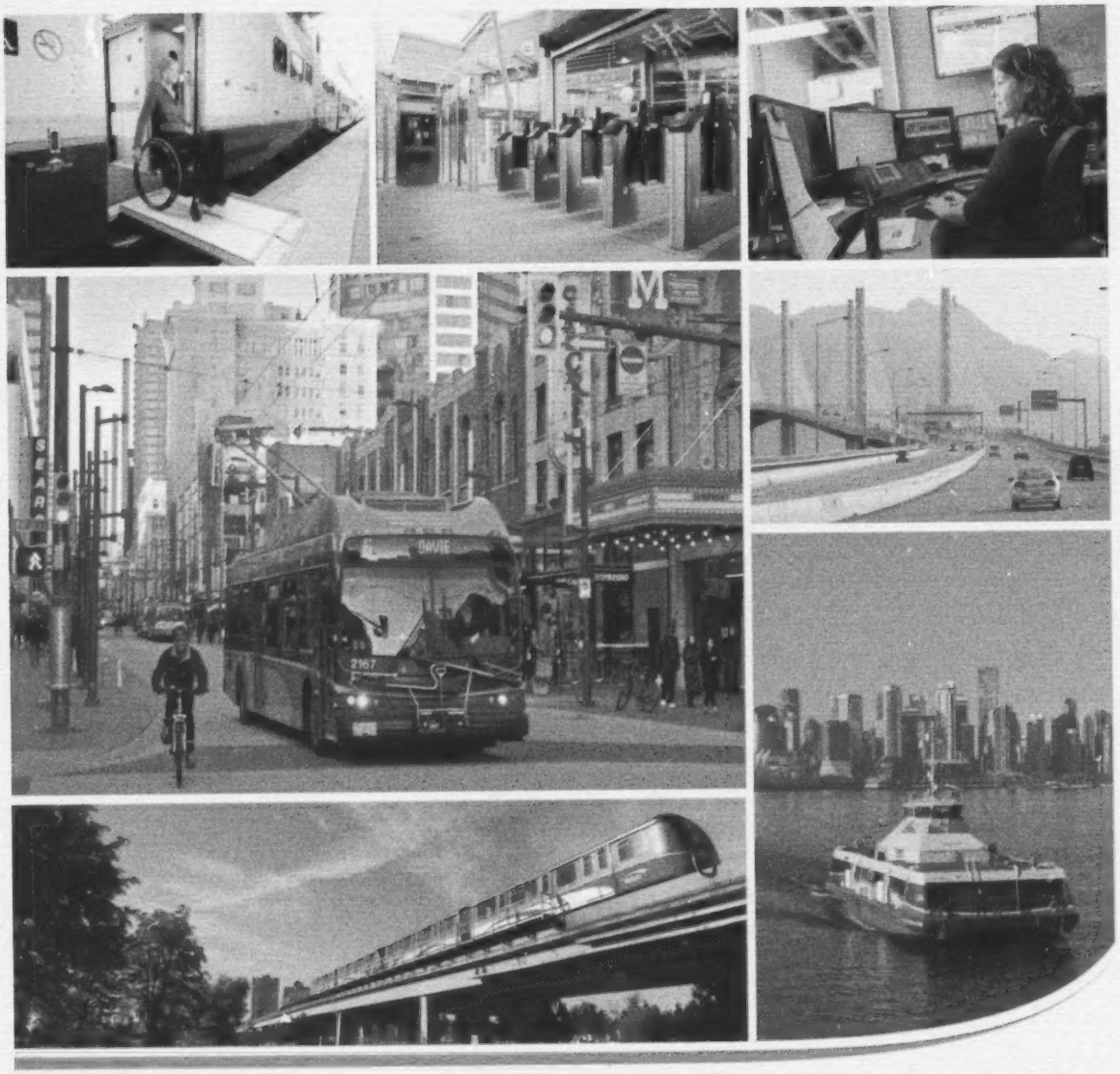
2013 FIRST QUARTER FINANCIAL AND PERFORMANCE REPORT



TRANSLINK

Table of Contents

1. **Financial and Performance Summary** 4
2. **Financial and Operating Summary** 6
3. **Consolidated Statement of Operations Analysis** 8
   - Consolidated Revenues 8
   - Consolidated Expenses by Segment 13
4. **Investment in Capital Assets** 19
   - Active Projects 20
   - Approval in Principle Projects 21
5. **Changes in Financial Position** 22
6. **Liquidity and Capital Resources** 24
7. **Budget and Forecast Update** 25
8. **Appendices and Consolidated Financial Statements** 26
   - Schedule 1 Consolidated Financial Statements 26
   - Schedule 2 Funded Statement of Operations 32
   - Appendix 1 Bus Operations 33
   - Appendix 2 Rail Operations 35
   - Appendix 3 Allocated Costs between Divisions 37

Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward looking statements, including in this document, and in other communications, in addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

1. Financial and Performance Summary

The first quarter resulted in a $12.2 million surplus. Cost containment continues to be a priority along with meeting our customers' expectations. Overall customer performance rating remained at an all time high of 7.7.

In the first quarter service hours are lower due to three less business days in 2013 and one additional day in 2012 from it being a leap year.

TransLink continues to monitor its risks to revenue and operating expenses with extensive cost reductions incorporated in the plan. Other significant risks being managed are Compass Card project implementation and economic factors including labour.

Strategy Focus and Highlights

TransLink's balanced scorecard approach supporting its business planning process uses five strategic goals to align the organization; customer, financial, stakeholder, people, and internal effectiveness. For 2013, five strategic objectives have been identified to support these goals.

Meet our customers' expectations in the implementation of Compass Card and Infrastructure upgrades

The project is on track to demonstrate system features to the public this summer during the Pilot test and to begin transitioning customers to Compass after successful completion of the Pilot. All station elevators returned to service except Scott Road West, faregate installation has been completed and crews began placing glass barriers around the gate arrays.

Manage within our financial framework

Operational savings have increased over the base plan and efforts continue on managing costs and increasing revenue. Additional revenue is being derived from real estate development on adjacent properties to our rapid transit lines.

Increase stakeholder confidence in TransLink's ability to efficiently deliver and manage the regional transportation system

Development of the Regional Transportation Strategy continues with significant stakeholder engagement.

Actively engage employees to plan, fund, build and operate a sustainable transportation network

Training and development is being developed to ensure the organization's needs are being met in the most efficient and cost effective way possible. Training on "Leading in Times of Change" and "Resilience to Change" is being provided to all employees who have direct reports, with a specific emphasis on the Compass project. A collective agreement with COPE Local 378 has been finalized.

Improve efficiency and utilization of our resources

Scheduling and recovery time efficiencies are being realized in the bus division. The upgraded automatic train control system in the rail division is enabling the rail division to realize operating savings.

2. Financial and Operating Summary

FINANCIAL PERFORMANCE

THREE MONTHS ENDING MARCH 31
(all numbers in thousands except per unit calculations)

			Year over Year			Budget Variance		
	YTD Actual 2012	YTD Actual 2013	Change	%	YTD Budget 2013	Fav./ (Unfav.)	%	Annual Budget 2013
Revenue	330,030	349,001	18,971	5.7%	354,510	(5,509)	(1.6%)	1,467,872
Expenditures	328,483	336,819	8,336	2.5%	363,063	26,244	7.2%	1,532,359
Excess (deficiency) of revenue over expenses	1,547	12,182	10,635	687.5%	(8,553)	20,735	(242.4%)	(64,487)
FINANCIAL INDICATORS								
Cumulative funded surplus [1]	275,793	298,698	22,905	8.3%	270,130	28,568	10.6%	221,838
Capital assets	4,393,343	4,413,430	20,087	0.5%	-	-	-	4,778,077
Net debt [2]	1,852,375	1,903,900	(51,525)	(2.8%)	-	-	-	2,174,199
Deferred concessionaire credits and GEB contractor liability [3]	1,683,073	1,672,326	10,747	0.6%	-	-	-	1,663,911
Total net debt [4]	3,535,448	3,576,226	(40,778)	(1.2%)	-	-	-	3,838,110
Gross interest cost as a % of operating revenue [5]	15.1%	14.3%	(0.8%)	(5.3%)	-	-	-	14.0%

[1] The cumulative funded surplus as calculated under the SCBCTA Act is the amount of resources available to fund future operations.

[2] Includes bonds, debentures, capital leases, short-term debt net of sinking funds and debt reserve deposits

[3] Includes deferred concessionaire credits and GEB contractor liability.

[4] Net debt + deferred concessionaire credits and GEB contractor liability.

[5] Operating revenue includes fares, taxation, and GEB toll revenue

Financial Performance and Indicators

Revenues are $19 million (5.7 per cent) higher year-to-date compared to 2012 and $5.5 million (1.6 per cent) under budget. The increase over 2012 is due to the transit fare increase effective January 1, 2013 and an increase in property taxes. The property tax portion includes the time limited property tax increase which will be adjusted as a result of the Mayors' Council approval of the 2013 Supplemental Plan.

Expenditures are $8.3 million (2.5 per cent) higher year-to-date than last year and $26 million (7.2 per cent) favourable to budget. The favourable budget variance is largely due to the timing of capital infrastructure payments and timing of spending on feasibility studies.

OPERATING INDICATORS

THREE MONTHS ENDING MARCH 31
(all numbers in thousands except per unit calculations)

	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	Budget Variance Fav./ (Unfav.)	Budget Variance %	Annual Budget 2013
Scheduled Transit Service								
Overall Performance Rating (out of 10)	7.7	7.7	-	-	7.7	-	-	7.7
Service hours	1,595	1,533	(62)	(3.9%)	1,534	(1)	(0.1%)	6,416
Operating cost recovery	52.1%	54.6%	2.5%	4.8%	54.7%	(0.1%)	(0.2%)	49.6%
Operating cost per service hour	$ 134.58	$ 142.21	$ 7.63	5.7%	$ 145.80	$ 3.59	2.5%	$ 142.56
Complaints per 1 million boarded passengers	77.4	94.0	16.6	21.4%	73.0	(21.0)	(28.8%)	74.3
Capacity kilometres	2,689,451	2,611,490	(77,961)	(2.9%)	2,555,638	55,852	2.2%	10,845,599
Operating cost per capacity kilometre	$ 0.080	$ 0.083	$ 0.003	3.8%	$ 0.088	$ 0.005	5.7%	$ 0.084
Access Transit Service								
Service hours	150	151	2	1.2%	147	4	3.0%	598
Operating cost per service hour	$ 79.64	$ 80.71	$ 1.07	1.3%	$ 83.69	$ 2.98	3.6%	$ 80.67
Complaints per 1 million boarded passengers	908.5	864.7	(43.8)	(4.8%)	868.8	4.1	-	790.1
Golden Ears Bridge								
Crossings	2,425	2,520	95	3.9%	2,557	(37)	(1.4%)	11,523
Average toll per crossing	$ 3.63	$ 3.50	$ (0.13)	(3.6%)	$ 3.55	$ (0.05)	(1.5%)	$ 3.48

Operating Indicators

Scheduled Transit Service (Conventional)

Service hours are lower than last year due to three less business days in 2013 and one additional day in 2012 from it being a leap year.

Twitter and Facebook complaints are now included in the data for 2013 which is driving the complaints per boarded passengers up over last year and budget.

Capacity kilometres are down in 2013 over last year with the reduction of the bus fleet and spare ratios, but are higher than budgeted.

Access Transit Service

Service hours are slightly higher than 2012 year-to-date and close to the target. Service hours are expected to be on target by year end.

3. Consolidated Statement of Operations Analysis

Consolidated Revenues

Consolidated Revenues ($ thousands)	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	YTD Budget Variance Fav./ (Unfav.)	YTD Budget Variance %	Annual Budget 2013
Taxation	169,865	180,237	10,372	6.1%	180,448	(211)	(0.1%)	750,627
Transit	111,999	119,544	7,545	6.7%	123,055	(3,511)	(2.9%)	497,816
Golden Ears Bridge Tolls	8,797	8,813	16	0.2%	9,084	(271)	(3.0%)	40,111
Emissions Testing	5,160	5,048	(112)	(2.2%)	5,463	(415)	(7.6%)	20,158
Transfers from other governments	20,769	20,535	(235)	(1.1%)	21,427	(892)	(4.2%)	85,905
Amortization of deferred concessionaire credit	5,802	5,738	(65)	(1.1%)	5,650	87	1.5%	23,078
Interest Income	7,202	8,219	1,017	14.1%	8,983	(763)	(8.5%)	36,871
Miscellaneous revenue	677	970	293	43%	400	570	142.5%	1,713
Gain on disposal	(240)	(102)	137	-	-	(102)	-	13,000
PSAB/GAAP Total	330,030	349,001	18,970	5.7%	354,510	(5,509)	(1.6%)	1,469,279
Funding Adjustments:								
Emissions Testing	(5,159)	(5,048)	111	2.1%	(5,463)	415	7.6%	(20,158)
Transfers from other governments	(15,947)	(16,717)	(769)	(4.8%)	(16,525)	(192)	(1.2%)	(66,408)
Amortization of deferred concessionaire credit	(5,802)	(5,739)	64	1.1%	(5,650)	(88)	(1.6%)	(23,078)
Interest Income	(6,279)	(7,068)	(789)	(12.6%)	(7,326)	257	3.5%	(29,392)
Funded Total	296,843	314,429	17,586	5.9%	319,546	(5,116)	(1.6%)	1,330,243

Overview

Total revenues for the first three months of 2013 were $19.0 million (5.7 per cent) greater than the same period in 2012. The increase is mainly from transit (fare increase January 1, 2013) and taxation revenues which includes an accrual for the time-limited property tax. With the approval of the 2013 supplemental plan in April, the property tax revenue will be reduced. Compared to budget, actual results are $5.5 million (1.6 per cent) unfavourable mainly due to lower transit fares than expected.

Taxation

Under the *South Coast British Columbia Transportation Authority (SCBCTA) Act*, TransLink is permitted to raise revenues by means of taxes, including fuel tax, property and replacement tax, hydro levy and parking rights tax.

Taxation Revenues ($ thousands)	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	YTD Budget Variance Fav./ (Unfav.)	YTD Budget Variance %	Annual Budget 2013
Fuel tax	75,976	76,575	599	0.8%	76,975	(400)	(0.5%)	335,136
Property and replacement tax	76,358	85,764	9,406	12.3%	85,764	-	0.0%	343,064
Parking rights tax	12,787	13,274	487	3.8%	12,932	342	2.6%	52,910
Hydro levy	4,744	4,624	(120)	(2.5%)	4,776	(153)	(3.2%)	19,518
Total taxation	169,865	180,237	10,372	6.1%	180,448	(211)	(0.1%)	750,627

Year over Year

Fuel tax revenues increased by $0.6 million (0.8 per cent) in the first quarter of 2013 compared to the same period in 2012. The increase is attributed to the April 1st, 2012 rate increase from $0.15 per litre to $0.17 per litre however the expected increase was offset by lower retail sales volume. Total net volume reported by the Consumer Taxation Branch (CTB), in TransLink's region, for the first two months of 2013 decreased by 11.3 per cent compared to the same period in 2012. Retail sales volume trends from other sources showed a 4.3 per cent decline in fuel sales volumes for the first two months of 2013 compared to the same period in 2012.

Property tax and replacement tax revenue increased by $9.4 million (12.3 per cent) over 2012, which is attributed mainly to the time-limited property tax increase. However, on April 17th the Mayors' Council approved the removal of the $29.0 million increase; future accruals and forecasts will be adjusted accordingly.

Parking rights taxes year-to-date revenues were $0.5 million (3.8 per cent) higher than the same period in 2012.

Actual vs. Budget

Fuel tax revenues are 0.4 million under budget for the first 3 months of the year. The high volatility in collection of fuel tax revenue makes it difficult to predict month to month revenues. At this time the forecast remains as budgeted.

Property and replacement tax for the first quarter shows on budget, however as a result of the April 17th Mayors' Council approval to remove the time-limited property tax increase, adjustments will be made and the forecasted revenue for the year is $29 million less than budget.

Transit

Transit Revenues	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	YTD Budget Variance Fav./ (Unfav.)	YTD Budget Variance %	Annual Budget 2013
Transit - fares								
Farebox	24,971	24,732	(239)	(1.0%)	28,363	(3,631)	(12.8%)	90,861
Prepaid fares	61,650	67,404	5,754	9.3%	66,030	1,374	2.1%	302,080
prepaid contract	22,417	24,033	1,617	7.2%	24,654	(620)	(2.5%)	88,799
Total transit fares	109,038	116,170	7,131	6.5%	119,047	(2,877)	(2.4%)	481,740
Transit - other	2,960	3,374	414	14.0%	4,008	(634)	(15.8%)	16,076
Total transit revenue	111,999	119,544	7,545	6.7%	123,055	(3,511)	(2.9%)	497,816

Transit revenues consist of transit fares and other revenues such as fare infractions, and park and ride. Transit revenues year-to-date increased by $7.5 million (6.7 per cent) compared to 2012 and were $3.5 million (2.9 per cent) below budget.

Year over Year

Transit fares increased $7.1 million (6.5 per cent) over 2012, largely due to the January 1st, 2013 fare increase. U-Pass BC Program enrolments were up 3.4 per cent compared to the same period in 2012 and Employee Pass Program participation was up 8.7 percent.

Transit other year-to-date revenues increased by $0.4 million (14.0 per cent) compared to the same period in 2012. This is predominately due to fare infraction revenues, which TransLink acquired administrative and collection responsibilities for in September 2012.

Actual vs. Budget

Transit fares were $2.9 million (2.4 per cent) below budget mainly due to higher than anticipated migration from cash into to better value-for-money pre-paid fares.

Transit other revenues were $0.6 million (15.8 per cent) below budget primarily due to an anticipated price increase for Park and Ride being budgeted to commence January 1st; the actual price increase has not yet been implemented.

Overall, Transit revenues are forecast to be approximately $4.9 million above budget mainly due to revised forecasts on the U-Pass BC and Government Bus Pass programs. However, ridership estimates and product migration rates will continue to be reviewed.

Golden Ears Bridge Tolls

Year over Year

Total crossings for the first three months of 2013 grew by approximately 3.9 per cent compared to the same period last year; however the average toll rate per crossing decreased with TransLink recognizing TReO (Port Mann Bridge Toll) customers' decals to receive the most discounted toll rate.

Actual vs. Budget

Year-to-date toll revenues were $0.3 million (3.0 per cent) below budget mainly due to total crossings being slightly lower than expected. A higher than expected use of TReO decals in the first quarter also contributed to a lower average toll rate per crossing. It is anticipated that toll revenues will be $0.4 million below budget for 2013.

Emissions Testing

Actual vs. Budget

In the first quarter of 2013, revenue is $0.4 million below budget, due to 10,431 fewer tests performed.

Government Transfers

More than three quarters of this funding is restricted to capital assets while the remainder is an operating contribution by the Province for Canada Line operations. Revenue from capital is recognized when the asset is placed in service and if there are stipulations in the agreement for repayments over a specified time period the revenues are amortized over that period. All variances are related to timing of project completions.

Interest Income

Year over Year

Interest income is $1.0 million (14.1 per cent) higher than the previous year mainly due to a higher sinking fund investment balance.

Actual vs. Budget

The actual year-to-date interest income is $0.8 million (8.5 per cent) below budget as higher surplus cash balances and higher budgeted short-term interest rates were assumed. Actual short-term rates were 1.3 per cent compared to the budgeted rate of 2.3 per cent.

Funding Adjustments

Funding adjustments are the changes required to the income statement to calculate the cumulative funded surplus under the SCBCTA Act, which is defined as the amount of resources available to fund future operations.

Consolidated Expenses by Segment

Consolidated Expenditures by Segment ($ thousands)	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	YTD Budget Variance Fav./ (Unfav.)	YTD Budget Variance %	Annual Budget 2013
AirCare	4,124	4,039	(85)	(2.1%)	4,222	183	4.3%	17,161
Bus division	153,071	154,572	1,501	1.0%	156,481	1,909	1.2%	643,556
Corporate	11,496	12,956	1,461	12.7%	15,199	2,243	14.8%	105,311
Rail division	58,605	59,660	1,055	1.8%	61,258	1,598	2.6%	251,816
Roads & Bridges	12,866	12,712	(155)	(1.2%)	30,050	17,339	57.7%	127,081
Transit Police	6,303	6,777	475	7.5%	7,621	843	11.1%	31,224
Depreciation and Interest *	82,019	86,103	4,085	5.0%	88,232	2,129	2.4%	357,617
PSAB/GAAP Total	328,483	336,819	8,336	2.5%	363,063	26,244	7.2%	1,533,767
Funding Adjustments:								
AirCare	(4,124)	(4,039)	85	2.1%	(4,255)	(216)	(5.1%)	(17,293)
Corporate	(20)	(22)	(2)	(9.1%)	(24)	(2)	-	(101)
Roads & Bridges	(491)	(2,957)	(2,466)	(501.9%)	(18,206)	(15,249)	(83.8%)	(72,825)
Depreciation and Interest	(52,615)	(56,449)	(3,835)	(7.3%)	(57,980)	(1,530)	(2.6%)	(232,219)
Debt Repayment	24,043	23,553	(490)	(2.0%)	28,216	4,663	16.5%	116,883
GEB Capital Payments	13,493	13,617	124	0.9%	13,612	(5)	(0.0%)	55,204
Funded Total	308,770	310,522	1,752	0.6%	324,427	13,905	4.3%	1,383,415

* Shown as a separate line to help facilitate analysis of debt service costs as GAAP statements allocate these amounts to the various segments

Year over Year

Overview

Expenditures for the first three months of 2013 are $8.3 million (2.5 per cent) higher than the same period last year. The main drivers were increased depreciation, additional bus service, and one time occupancy costs during the transition to our new location in New Westminster.

Bus Division

Operating expenditures were $1.5 million (1.0 per cent) higher in 2013. Increased costs in 2013 were due to increased fuel costs due to higher diesel fuel prices and higher employer paid benefit costs. Annualization of additional service hours in April and December 2012 was more than offset by reductions for scheduling and recovery time efficiencies. Savings from cost containment initiatives which reduced overall workforce levels and lowered expenditures offset other contractual and economic increases.

Rail Division

Operating expenditures were $1.1 million (1.8 per cent) higher than 2012 mainly due to costs relating to the Expo Line propulsion power system upgrade, increased rail car leases, hydro rates, and an increase in allocated costs for compass fare media. Offsetting some of the increases were savings from Automatic Train Control (ATC) operating efficiencies and the daytime weekend service reductions on the Expo and Millennium Lines. SkyTrain's commitment to implement cost saving efficiencies included daytime

weekend service reductions on the Expo and Millennium Lines effective January 2013 that resulted in approximately $0.1 million of realized savings in the first quarter of 2013. Service kilometres in the first quarter of 2013 were 0.8 million less than the same period of the prior year due in part to operating efficiencies realized with the upgraded ATC system which did not impact the service to our customers.

Corporate

Operating expenditures were $1.5 million (12.7 per cent) higher than 2012. Overall corporate costs remain relatively static however included is the additional rental cost as we continue to incur costs for our existing occupied space during the transition to New Westminster.

Transit Police

Operating expenditures were $0.5 million (7.5 per cent) higher than 2012. Salary costs are up by $0.5 million due to an increase in the benefit allocation rate, length of service wage increases for COPE staff, and increased overtime costs.

Depreciation and Interest

Depreciation and interest expense increased $4.1 million (5.0 per cent) over 2012 due to the acceleration of depreciation for the ticket vending machines. The ticket vending machines are to be fully depreciated in 2013 with the launch of Compass fare cards.

Actual vs. Budget

Overview

Year-to-date expenditures are $26.2 million below budget with more than sixty five per cent of the variance attributed to timing differences for MRN capital contributions, lower professional and legal, reduced depreciation costs, lower administrative costs, lower Canada Line contractual payments due to lower inflationary increases, and position vacancies.

AirCare

Total expenditures are $0.2 million below budget. The majority of this favourable variance is the result of saving on depreciation costs.

Bus Division

Operating expenditures were $1.9 million (1.2 percent) favourable to budget. Fuel costs are lower due to favourable diesel prices. Salaries and wages are under budget due to temporary position vacancies.

At year end, the bus division is forecasting to be under budget by $4.5 million due to significant cost savings initiatives that are underway, favourable spending variances achieved to date, forecasted lower diesel prices and favourable insurance rates. These savings are partially offset by contractual labour increases from recent union contract settlements.

Rail Division

In the first quarter of 2013, the rail division's operating costs were $1.6 million (2.6 per cent) lower than budget. This was due to lower than expected inflationary increases in contractual Canada Line payments, and timing differences in maintenance and Compass Card costs. Service kilometres in the first quarter of 2013 were 0.1 million more than budget due to less than expected single tracking required for the power rail replacement project.

The rail division forecasts 2013 annual operating costs to be $ $0.7 million (0.8 per cent) below budget. The lower than expected costs result mainly from the inflationary adjustment in Canada Line.

Corporate

Operating expenditures are $2.2 million (14.8 per cent) favourable for the first quarter of 2013 compared to budget. Of this variance $1.2 million is a savings due to unfilled vacant positions, and $0.4 million is also being recognized as a savings in equipment rental costs. The balance of the variance is timing issues.

Roads & Bridges

The year-to-date favourable variance of $17.3 million (57.7 per cent) consists of $15.2 million relating to the timing of municipal contributions. The municipalities govern when the work is done in their jurisdictions and work schedules are dependent on factors such as weather. Contributions are recorded when TransLink receives an invoice from the municipalities. Feasibility studies on the Pattullo Bridge are under budget by $1.6 million which is also a timing variance.

Transit Police

A favourable variance of $0.8 million (11.1 per cent) to budget is being realized in the first quarter of 2013. This is due to salary savings of $0.5 million from staff vacancies. Further savings are expected over the next few months until the vacant positions are filled. Administration costs are under budget by $0.3 million largely due to the Sapperton building leasing costs starting two months later than budgeted.

Depreciation and Interest

Actual depreciation and interest expense for the first quarter of 2013 compares favourably to the budget by $2.1 million (2.4 per cent). This is primarily due to fewer assets being added in the first quarter, offset by the acceleration of ticket vending machines depreciation.

Consolidated Expenses by Category

Consolidated Expenditures by Category ($ thousands)	YTD Actual 2012	YTD Actual 2013	Year over Year Change	Year over Year %	YTD Budget 2013	YTD Budget Variance Fav./ (Unfav.)	YTD Budget Variance %	Annual Budget 2013
Administration	4,964	5,880	915	18.4%	6,981	1,101	15.8%	34,473
AirCare	4,124	4,039	(85)	(2.1%)	4,222	183	4.3%	17,161
Amortization of Capital Assets	38,096	41,864	3,767	9.9%	44,350	2,487	5.6%	177,402
Capital Infrastructure contributions	491	2,957	2,466	501.9%	18,206	15,249	83.8%	72,825
Contracted Services	46,858	46,964	107	0.2%	49,604	2,640	5.3%	222,071
Fuel and Power	16,793	17,362	569	3.4%	17,552	190	1.1%	70,928
Insurance	4,411	4,177	(233)	(5.3%)	5,116	939	18.3%	20,911
Interest	43,922	44,240	317	0.7%	43,881	(358)	(0.8%)	180,215
Maintenance, Materials and Utilities	28,056	24,418	(3,638)	(13.0%)	23,879	(539)	(2.3%)	108,694
Professional and Legal	2,469	2,271	(198)	(8.0%)	5,337	3,066	57.5%	26,386
Rentals, Leases and Property Tax	8,948	10,728	1,780	19.9%	10,063	(666)	(6.6%)	44,306
Salaries, Wages and Benefits	129,350	131,315	1,965	1.5%	133,871	2,556	1.9%	558,395
Provision for Asset Valuation	-	605	605	-	-	(605)	-	-
PSAB/GAAP Total	328,483	336,819	8,336	2.5%	363,063	26,244	7.2%	1,533,767
Funding Adjustments:								
AirCare	(4,124)	(4,039)	85	2.1%	(4,255)	(216)	(5.1%)	(17,293)
Amortization of Capital Assets	(35,976)	(39,725)	(3,749)	(10.4%)	(41,163)	(1,439)	(3.5%)	(164,653)
Government Funding Admin	(20)	(22)	(2)	(9.1%)	(24)	(2)	-	(101)
Interest	(16,639)	(16,725)	(86)	(0.5%)	(16,816)	(92)	(0.5%)	(67,566)
GEB Capital Payments	13,493	13,617	124	0.9%	13,612	(5)	(0.0%)	55,204
MRN Capital Funding	(491)	(2,957)	(2,466)	(501.9%)	(18,206)	(15,249)	(83.8%)	(72,825)
Principle Repayments	19,729	18,756	(973)	(4.9%)	18,757	1	0.0%	72,803
Debt Repayment Reserves	4,315	4,797	482	11.2%	9,459	4,662	-	44,080
Funded Total	308,770	310,522	1,753	0.6%	324,427	13,904	4.3%	1,383,415

Year over Year

Overview

After the funding adjustments which are largely made up of MRN Capital Funding and Amortization of Capital Assets, expenditures are $1.7 million (0.6 per cent) higher than last year.

Administration

Year-to-date expenses in 2013 are $0.9 million (18.4 per cent) higher than 2012. Costs include increases in computer systems and licensing costs, fare media, and marketing costs.

Amortization of Capital Assets

Year-to-date costs for amortization of capital assets are $3.8 million (9.9 per cent) higher than the same period in 2012 due to acceleration of the current ticket vending machines in light of the Compass Card launch.

Fuel and Power

Fuel and power costs have increased by $0.6 million (3.4 per cent) over 2012 with a rise in diesel fuel prices and hydro rates.

Capital Infrastructure contributions

Infrastructure payments were $2.5 million (502 per cent) higher than last year due to the timing of when municipalities schedule the work. The municipalities govern when the work is done in their jurisdictions and work schedules are dependent on weather.

Maintenance, Materials and Utilities

Maintenance, materials, and utilities are $3.6 million (13 per cent) lower than 2012 due to the transfer of Roads and Bridges Division rehabilitation portion of their costs ($2.7 million year-to-date) from operating to capital. Also a reduction of $1.0 million in materials for revenue vehicles is being realized in the Bus Division from lower costs, timing, and some one time expenditures in 2012.

Rentals, Leases, and Property Taxes

Year over year, rentals, leases, and property taxes are higher in 2013 by $1.8 million (19.9 per cent). Lease costs for our new head office location commenced November 1, 2012 and we continue to pay rent on our existing occupied space during the transition.

Salaries, Wages and Benefits

Year-to-date, salaries, wages, and benefits are $1.9 million (1.5 per cent) higher than 2012. The increase is due to higher employer paid benefit costs, merit and length of service increases.

Actual vs. Budget

Administration

Year-to-date costs are $1.1 million (15.8 per cent) under budget consisting of lower computer licences, training and travel costs, and marketing and communications costs.

Amortization of Capital Assets

Costs are under budget by $2.5 million (5.6 per cent). This is primarily due to fewer assets being added in the first quarter, offset by the acceleration of ticket vending machines depreciation.

Capital Infrastructure contributions

Infrastructure payments were $15.2 million (83.8 per cent) lower than budget. The budget variance is a timing issue related to when municipalities schedule the work. The municipalities govern when the work is done in their jurisdictions and work schedules are dependent on weather.

Contracted Services

Costs are under budget by $2.6 million (5.3 per cent) due to delays in operating costs related to Compass card of $1.2 million, lower Canada Line performance payments of $.4 million due to the lower inflation rate and the reallocation of West Coast Express maintenance costs of $0.8 million into the maintenance, materials and utilities category.

Professional and Legal

Year-to-date professional and legal fees are under budget by $3.1 million (57.5 per cent) with all of the variance relating to timing.

Rentals, Leases, and Property Taxes

Costs for 2013 are $0.7 million over budget year-to-date. The majority of the variance relates to the timing of lease payments.

Salaries, Wages and Benefits

Year-to-date salaries, wages, and benefits are under budget by $2.6 million (1.9 per cent). These savings relate to current vacant positions throughout the organization and can be considered permanent savings for 2013.

4. Investment in Capital Assets

Capital Program Summary – March 31, 2013

($ amounts in thousands)

		Budgets		Actuals		Forecasts/Variances			
Description	Number of Projects	Original	Current	Prior to 2013	2013	2013 Actuals and Forecasts	Final Forecast Total	Variance to Current Budget	External Funding
Total of all Active Projects (including Substantially Complete) and Approved in Principle (AiP) Projects as at Jan 01 2013	**200**	**2,081,260**	**2,112,503**	**1,005,890**	**-**	**430,818**	**2,065,652**	**46,851**	**1,208,410**
Less: Projects Closed during 2013	(8)	(5,320)	(2,429)	(1,468)	(46)	(46)	(1,514)	(915)	-
AiP Projects Cancelled in 2013	(18)	(6,050)	(6,050)	-	-	(5,697)	(6,050)	-	
Substantially Complete	(50)	(772,027)	(793,868)	(758,634)	(2,577)	(11,665)	(770,456)	(23,412)	(254,625)
Actual Costs and Forecast Changes for Active Projects					66,915	(24,834)	4,154	(4,154)	
Total Capital Program (excl Substantially Complete)	**124**	**1,297,863**	**1,310,156**	**245,788**	**64,332**	**388,576**	**1,291,786**	**18,370**	**953,785**
Active Projects (excl Substantially Complete) A:	67	1,120,698	1,132,991	245,788	64,332	357,676	1,114,621	18,370	866,929
AiP Projects as on Mar 31 2013 B:	57	177,165	177,165	-	-	30,900	177,165		86,856
Total Capital Program (excl Substantially Complete) A+B:	**124**	**1,297,863**	**1,310,156**	**245,788**	**64,332**	**388,576**	**1,291,786**	**18,370**	**953,785**

Closed Projects

A total of eight projects with an aggregate cost of $1.5 million and an aggregate budget of $2.4 million were completed and closed up to March 31, 2013. These projects had a total favourable variance of $0.9 million. TransLink regularly monitors the budgeted contingencies to ensure levels are appropriate. Of the projects closed in 2013, contingency made up 7 per cent of the total budget and 5 per cent was utilized.

Cancelled Projects

To proactively manage costs and priorities, eighteen AIP projects with a budget of $6.1 million, were reviewed and prioritized, resulting in eleven being cancelled and seven being deferred from the 2013 program. With the exception of three of these AIP projects, they are all related to Technology applications that have been re-prioritized due to resource constraints, alternative solutions found, or additional studies required. The other three relate to infrastructure replacement or improvements.

Substantially Complete Projects

A total of fifty projects with a total forecast cost of $770.5 million and a related budget of $793.9 million were deemed substantially complete and in the final stages of project activity, with approximately $9.3 million remaining to be spent. The total expected favourable variance for these projects is $23.4 million (2.9 per cent).

Active Projects

($ amounts in thousands)

	Number of Projects	Budgets		Actuals		Forecasts/Variances			
		Original	Current	Prior to 2013	2013 Actuals	2013 Actuals & Forecast	Final Forecast Total	Variance to Current Budget	External Funding
Equipment	8	6,060	6,061	291	18	3,251	6,003	58	-
Facilities	17	218,962	220,433	77,638	7,505	44,280	216,663	3,770	42,643
Infrastructure	21	297,087	307,627	111,835	10,735	154,727	306,974	653	224,189
Major Construction	1	418,192	405,841	9,468	15,610	69,211	406,168	(327)	477,000
Minor Capital Account	1	700	6,808	-	300	6,808	6,808	-	-
Technology Applications	12	30,549	32,412	11,206	2,808	14,216	30,940	1,472	3,694
Vehicle - Other Revenue	3	19,350	23,886	3,005	2,262	14,958	20,028	3,858	17,776
Vehicle - Convention Revenue	4	129,798	129,923	32,345	25,094	50,225	121,037	8,886	101,627
Grand Total	**67**	**1,120,698**	**1,132,991**	**245,788**	**64,332**	**357,676**	**1,114,621**	**18,370**	**866,929**

As at March 31, 2013, there were sixty-seven active projects with a current budget of $1.1 billion. The forecasted active project variance of $18.4 million or 1.6 per cent was primarily made up of the following projects:

Facilities: Variance of $3.8 million or 1.7 per cent of the related Current Budget

The major components of this variance are:

- The Trolley Overhead Rectifier Station Replacement Project (0908) being under budget by $1.5 million due to savings in rectifier installation costs and unused contingency.
- The TransLink head office Project (1014) being under budget by $2.0 million due to procurement savings in furniture, lighting, and audio visual equipment costs.

Technology Applications: Variance of $1.5 million or 4.5 per cent of the related Current Budget

The major component of this variance is the SkyTrain Switch Control RCIU Replacement Project (1012) being under budget due to savings in contract award.

Vehicle – Other Revenue: Variance of $3.9 million or 16.2 per cent of the related Current Budget

The major component of this variance is the 2012 Community Shuttle Replacement Project (112150) being under budget due to significant savings in procurement contracts from lower community shuttle unit costs, vehicle type, increasing strength of Canadian currency, and competitive pricing due to increased suppliers.

Vehicle – Conventional Revenue: Variance of $8.9 million or 6.8 per cent of the related Current Budget

The major components of this variance are:

- The 2012 Conventional Vehicles Replacement Project (112130) being under budget by $6.6 million resulting in significant savings from bus manufacturing contracts due to favourable market conditions.
- The West Coast Express Fleet and Facility Expansion Project (0914) being under budget by $1.8 million due to savings in the procurement of rail cars.

Approval in Principle Projects

At the period ending March 31, 2013, there were fifty-seven projects that had not yet started with a total Approval in Principle (AiP) budget of $177.2 million. The largest projects are the 2014 Conventional Bus Replacement with a budget of $34.0 million, Metrotown Station and Exchange Upgrade Construction with a budget of $35.0 million, and Commercial-Broadway SkyTrain Station Phase 2 Upgrade Construction with a budget of $32.2 million.

The remainder includes TransLink projects such as various SkyTrain station upgrades, IT replacement enhancement projects totalling $22.1 million; $12.0 million for Rail Division projects such as propulsion power and LIM rail replacements, and elevator and SkyBridge improvements; and $41.8 million for other Bus Division projects such as facilities and infrastructure improvements, and technology equipment replacements.

5. Changes in Financial Position

Changes in Financial Position as at March 31, 2013
(in thousands of dollars)

	March 31 2013	Dec 31 2012	Change from 2012	% Change
Financial Assets				
Cash	184,068	187,093	(3,025)	-1.6%
Accounts receivable	151,264	107,037	44,227	41.3%
Restricted cash and investments	336,536	359,896	(23,360)	-6.5%
Investments	150,039	114,271	35,768	31.3%
Debt reserve deposits	41,569	41,263	306	0.7%
Liabilities				
Accounts payable and accrued liabilities	270,737	222,694	48,043	21.6%
Debt	2,035,336	2,042,039	(6,703)	-0.3%
Deferred government transfer	1,160,228	1,137,878	22,350	2.0%
Employee future benefits	80,964	78,251	2,713	3.5%
Deferred concessionaire credits	636,477	642,215	(5,738)	(0.9%)
Golden Ears Bridge contractor liability	1,035,849	1,032,744	3,105	0.3%
Deferred lease inducements - net	3,059	1,650	1,409	85.4%
Non-Financial Assets				
Tangible capital assets	$ 4,413,430	$ 4,391,311	$ 22,119	0.5%
Supplies inventory	$ 37,906	$ 37,843	$ 63	0.2%
Prepaid expenses	$ 9,694	$ 8,431	$ 1,263	15.0%

Financial Assets

Accounts receivable has increased $44.2 million primarily due to the accrual for property tax revenue which will be paid to TransLink in August, offset by payments received for Build Canada Funding.

Restricted cash and investments decreased by $23.4 million primarily due to purchases of buses funded by the gas tax contributions. Gas tax funding are received in advance and held in restricted funds until the funds are spent on the specified capital assets.

Investments increased by $35.8 million primarily due to Build Canada Funds received during the quarter. In contrast to gas tax funding, Build Canada Funds are not paid up front but rather reimbursed to TransLink once TransLink has made the payment for the specific infrastructure project.

Liablities

Accounts payable and accrued liabilities has increased $48.0 million primarily due to an $19.7 million increase in the interest accrual (as the majority of the interest is paid in April and October) and an increase of $19.5 million in the accounts payable trade balance.

Deferred government transfer has increased $22.4 million primarily because of capital funding received of $38.1 million offset by $15.7 million of revenue recognized. Typically capital funding agreements have asset holding periods. Revenue is recognized once any asset holding periods have been met.

Deferred concession credits represent the private financing provided by the Canada Line Concessionaire. This balance is amortized to income on a straight line basis over the operating term of the concessionaire agreement which will expire in July 2040.

The Golden Ears bridge contractor liability has increased as interest accumulates on the outstanding blance until principal payments commence in 2015.

Deferred lease inducements primarily represent tenant inducements related to TransLink's new head office. This balance is amortized as a reduction of rental expense over the lease term to 2033.

Non-Financial Assets

Tangible capital assets have increased by $22.1 million primarily as a net result of the $64.6 million in additions less the amortization of $41.9 million. The additions of $64.6 million were primarily comprised of $13.2 million of vehicles, $6.5 million of bus cameras, $6.0 million of station upgrades and the remaining additions of $36.3 million related to work in progress. Additions to work in progress is primarily comprised of $15.5 million of vehicle replacements and $14.1 million related to TransLink's Evergreen assets.

6. Liquidity and Capital Resources

CASH FLOWS AND LIQUIDITY

TransLink continues to have strong cash flows in 2013. The liquidity position increased primarily due to positive operating cash flows of $42.0 million and government transfer receipts of $38.1 million.

At year end, there remained multiple sources of liquidity. Unrestricted cash and near cash equivalents, such as money market funds, were as follows:

	2013	2012	Change
Cash	$184,068	$187,093	-$3,025
Near cash equivalent	$123,747	$84,851	+$38,896
	$307,815	$271,944	+$35,871

TransLink's strong liquidity position is further supported by a $500 million commercial paper program, of which only $90 million has been issued.

DEBT

TransLink's debt management policy includes self imposed debt coverage and debt service coverage limits. The Authority continues to remain within these limits.

Maintaining a high-quality credit rating is essential to ensure that TransLink's ability to continue accessing capital markets in a most cost-effective basis when it needs to borrow to fund its capital program. The following table summarizes TransLink's current credit ratings and outlooks:

Agency	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable
Moody's Investors Service	Not rated	Aa2	Aa2	Stable

7. Budget and Forecast Update

Since the end of the first quarter, the Mayors' Council approved the 2013 Supplemental Plan which removes the $29 million time limited property tax that was included in the 2013 Base Plan. The revenue figures for property tax, included in this report were based on the base plan. An updated budget will be prepared for Board approval in June that will align budget with the 2013 Supplemental Plan.

The forecast for 2013, taking into consideration the results to Q1 and changes from the Supplemental Plan, is a $56 million funded deficit. This is $2.8 million worse than the budget and $3.9 million better than the 2013 Supplemental Plan.

The major changes from the Supplemental plan include: removal of the $29 million time limited property tax revenue; savings due to service efficiencies and salary costs as a result of restructuring; reduced administrative and support costs; and reduced debt repayment estimates.

8. Appendices and Consolidated Financial Statements

Schedule 1 Consolidated Financial Statements

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position
(in thousands of dollars)

March 31, 2013, with December 31, 2012 comparative figures

	March 31 2013	December 31 2012
FINANCIAL ASSETS		
Cash	$ 184,068	$ 187,093
Accounts receivable	151,264	107,037
Restricted cash and investments	336,536	359,896
Investments	150,039	114,271
Debt reserve deposits	41,569	41,263
	863,476	809,560
LIABILITIES		
Accounts payable and accrued liabilities	270,737	222,694
Debt	2,035,336	2,042,039
Deferred government transfer	1,160,228	1,137,878
Employee future benefits	80,964	78,251
Deferred concessionaire credits	636,477	642,215
Golden Ears Bridge contractor liability	1,035,849	1,032,744
Deferred lease inducements	3,059	1,650
	5,222,650	5,157,471
NET DEBT	(4,359,174)	(4,347,911)
NON-FINANCIAL ASSETS		
Tangible capital assets	$ 4,413,430	$ 4,391,311
Supplies inventory	37,906	37,843
Prepaid expenses	9,694	8,431
	4,461,030	4,437,585
Accumulated Surplus	$ 101,856	$ 89,674

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations and Changes in Fund Balances
(in thousands of dollars)

Three months ended March 31, 2013 and 2012

	2013 Budget	2013 Actual	2012 Actual (restated)
Revenue:			
Taxation	$ 180,448	$ 180,237	$ 169,865
Transit	123,055	119,544	111,999
Golden Ears Bridge tollings	9,084	8,813	8,797
Emissions testing	5,463	5,048	5,160
Government transfers	21,427	20,534	20,769
Amortization of deferred concessionaire credit	5,650	5,738	5,802
Interest income	8,983	8,219	7,202
Miscellaneous revenue	400	970	676
Loss on disposal of tangible capital assets	-	(102)	(240)
	354,510	349,001	330,030
Expenses:			
Aircare	4,255	4,039	4,124
Bus division	190,185	187,220	186,728
Corporate	18,796	16,442	13,579
Rail division	87,505	85,095	80,274
Roads & Bridges	54,695	37,239	37,470
Transit Police	7,627	6,784	6,308
	363,063	336,819	328,483
(Deficit) surplus for the period	(8,553)	12,182	1,547
Accumulated surplus, beginning of period	82,817	89,674	99,029
Accumulated surplus, end of period	$ 74,264	$ 101,856	$ 100,576

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(in thousands of dollars)

Three months ended March 31, 2013 and 2012

	2013 Actual	2012 Actual
(Deficit) surplus for the period	$ 12,182	$ 1,547
Acquisition of tangible capital assets	(64,588)	(10,216)
Amortization of tangible capital assets	41,864	38,096
Loss on disposal of tangible capital assets	102	240
Net proceeds from disposal of capital assets	(102)	4,941
Write down of tangible capital assets	605	-
	(22,119)	33,061
Change in supplies inventory	(63)	(844)
Change in prepaid expenses	(1,263)	(5,973)
	(1,326)	(6,817)
Decrease (increase) in net debt	(11,263)	27,791
Net debt, beginning of period	(4,347,911)	(4,374,261)
Net debt, end of period	$ (4,359,174)	$ (4,346,470)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows
(in thousands of dollars)

Three months ended March 31, 2013 and 2012

	2013	2012
Cash provided by (used for):		
Operating Transactions:		
(Deficit) surplus for the period	$ 12,182	$ 1,547
Non-cash charges to operations	24,620	21,414
Changes in non-cash operating working capital	5,203	(63,924)
Net change in cash from operating transactions	42,005	(40,963)
Capital Transactions:		
Purchase of capital assets	(17)	(6,115)
Purchase of capital assets funded by government transfers	(64,571)	(4,101)
Net proceeds from disposal of capital assets	(102)	4,941
Net change in cash from capital transactions	(64,690)	(5,275)
Investing Transactions:		
Decrease (increase) in restricted cash and investments	23,360	(95,804)
Decrease (increase) in investments	(35,768)	15,427
Increase in debt reserve deposits	(306)	(315)
Net change in cash from investing transactions	(12,714)	(80,692)
Financing Transactions:		
Debt proceeds	-	100,000
Premiums (issue costs) on financing	-	(1,569)
Repayments of debt	(7,229)	(6,130)
Government transfers received for capital additions	38,053	-
Lease inducements received	1,550	-
Net change in cash from financing transactions	32,374	92,301
Decrease in cash	(3,025)	(34,629)
Cash, beginning of period	187,093	94,290
Cash, end of period	$ 184,068	$ 59,661

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows (continued)
(in thousands of dollars)

Three months ended March 31, 2013 and 2012

	2013	2012
Non-cash charges to operations:		
Amortization of capital assets	$ 41,864	$ 38,096
Amortization of bond discount	239	363
Amortization of debt issue cost	287	263
Amortization of deferred concessionaire credits	(5,738)	(5,802)
Amortizaton of deferred government transfers	(15,703)	(14,919)
Amortizaton of deferred lease inducements	(141)	-
Interest accretion on contractor liability	3,105	3,173
Write down of tangible capital assets	605	-
Loss on disposal of tangible capital assets	102	240
	$ 24,620	$ 21,414
Changes in non-cash operating working capital:		
Increase in accounts receivable	$ (44,227)	$ (69,661)
Increase in supplies inventory	(63)	(844)
Increase in prepaid expenses	(1,263)	(5,973)
Increase in accounts payable and accrued liabilities	48,043	10,529
Employee future benefit payable	2,713	2,025
	$ 5,203	$ (63,924)

South Coast British Columbia Transportation Authority
Segment Report
Three months ended March 31, 2013
(in thousands of dollars)

	Aircare	Bus division	Corporate	Rail division	Road & Bridge	Transit Police	2013	2012
Revenues:								
Taxation	$ -	$ -	$ 180,237	$ -	$ -	$ -	$ 180,237	$ 169,865
Transit	-	3	114,452	5,089	-	-	119,544	111,999
Golden Ears Bridge tollings	-	-	-	-	8,813	-	8,813	8,797
Emissions testing	5,048	-	-	-	-	-	5,048	5,160
Government transfers	-	-	20,445	-	89	-	20,534	20,769
Amortization of deferred concessionaire cre	-	-	-	-	5,738	-	5,738	5,802
Interest income	-	-	8,219	-	-	-	8,219	7,202
Miscellaneous revenue	-	572	328	55	-	15	970	676
Gain (loss) on disposal of tangible capital ass	-	107	(209)	-	-	-	(102)	(240)
	5,048	682	323,472	5,144	14,640	15	349,001	330,030
Expenses								
Administration	70	2,951	1,773	760	16	380	5,950	5,032
Amortization of capital assets	-	19,702	2,104	15,347	4,708	3	41,864	38,096
Capital infrastructure contributions	-	-	-	-	2,957	-	2,957	491
Contracted services	3,645	16,247	-	27,981	2,737	-	50,610	50,585
Fuel and power	-	14,258	-	3,104	-	-	17,362	16,793
Insurance	2	2,800	47	1,035	283	10	4,177	4,412
Interest	-	12,949	1,381	10,087	19,820	3	44,240	43,923
Maintenance, materials and utilities	1	11,890	171	6,300	5,877	180	24,419	28,057
Professional & legal	-	316	1,356	354	203	42	2,271	2,472
Rentals, leases and property tax	33	4,130	2,829	3,501	43	225	10,761	8,981
Salaries, wages and benefits	288	101,977	6,781	16,021	595	5,941	131,603	129,641
Write-down of tangible capital assets	-	-	-	605	-	-	605	-
	4,039	187,220	16,442	85,095	37,239	6,784	336,819	328,483
Surplus (deficit) for the year	$ 1,009	$ (186,538)	$ 307,030	$ (79,951)	$ (22,599)	$ (6,769)	$ 12,182	$ 1,547

Schedule 2 Funded Statement of Operations

TransLink (Excluding AirCare)
2013 Revenue and Expenditure Summary Statement
Ona Funded Basis
$000's

	YTD 2012 Actual	YTD 2013 Actual	Year over Year Change	Year over Year %	YTD 2013 Budget	Budget Variance Fav./ (Unfav.)	Budget Variance %	Annual 2013 Budget
A. Revenues and Expenditures								
Revenues								
Transit Revenues	111,999	119,544	7,545	6.7%	123,055	(3,511)	(2.9%)	497,816
Golden Ears Bridge Toll Revenues	8,797	8,813	16	0.2%	9,084	(271)	(3.0%)	40,111
Taxation								
Fuel	75,976	76,575	599	0.8%	76,975	(400)	(0.5%)	335,136
Property and Replacement	76,358	85,764	9,406	12.3%	85,764	-	-	343,064
Hydro Levy	4,744	4,624	(120)	(2.5%)	4,776	(153)	(3.2%)	19,518
Parking Sales	12,787	13,274	487	3.8%	12,932	342	2.6%	52,910
Total Taxation Revenue	**169,865**	**180,237**	**10,372**	**6.1%**	**180,448**	**(211)**	**(0.1%)**	**750,627**
Interest Income	923	1,149	226	24.5%	1,657	(508)	(30.7%)	7,479
Operating Contribution	4,822	3,817	(1,005)	(20.8%)	4,902	(1,085)	(22.1%)	19,497
Miscellaneous Revenue	677	970	292	-	400	570	142.5%	1,713
Gain on disposal	(240)	(102)	137	(57.3%)	-	(102)	-	13,000
Total Revenues	**296,843**	**314,427**	**17,584**	**5.9%**	**319,546**	**(5,118)**	**(1.6%)**	**1,330,243**
Expenditures								
Roads & Bridges								
Major Road Network Operation	8,548	5,890	(2,659)	(31.1%)	6,111	222	3.6%	30,018
Golden Ears Bridge Operations	2,940	3,079	140	4.8%	3,113	33	1.1%	13,506
Admin	886	786	(100)	(11.3%)	2,620	1,834	70.0%	10,733
Total Roads & Bridges	**12,374**	**9,755**	**(2,619)**	**(21.2%)**	**11,844**	**2,089**	**17.6%**	**54,256**
Transit								
Bus Division								
Coast Mountain Bus Co.	136,369	137,395	1,026	0.8%	139,135	1,740	1.3%	573,631
Access Transit	11,906	12,541	634	5.3%	12,562	21	0.2%	50,358
Other Contractors	4,796	4,636	(160)	(3.3%)	4,784	148	3.1%	19,566
Total Bus Division	**153,071**	**154,572**	**1,500**	**1.0%**	**156,481**	**1,909**	**1.2%**	**643,556**
Rail Division								
Expo & Millennium Lines	24,613	25,493	879	3.6%	26,551	1,059	4.0%	111,052
West Coast Express	7,388	7,606	218	2.9%	7,720	114	1.5%	31,964
Canada Line	26,604	26,562	(43)	(0.2%)	26,987	426	1.6%	108,800
Total Rail Division	**58,605**	**59,660**	**1,054**	**1.8%**	**61,258**	**1,598**	**2.6%**	**251,816**
Total Transit	**211,677**	**214,231**	**2,555**	**1.2%**	**217,739**	**3,508**	**1.6%**	**895,372**
TransLink	**11,476**	**12,934**	**1,459**	**12.7%**	**15,175**	**2,241**	**14.8%**	**90,310**
Transit Police	**6,303**	**6,777**	**474**	**7.5%**	**7,621**	**843**	**11.1%**	**31,224**
Provision for Contingencies and Reinvestments	-	-	-	-	-	-	-	**14,900**
Interest Expense	**27,284**	**27,515**	**231**	**0.8%**	**27,065**	**(450)**	**(1.7%)**	**112,649**
Depreciation Expense	**2,120**	**2,139**	**19**	**0.9%**	**3,154**	**1,015**	**32.2%**	**12,617**
Debt Repayment	**24,043**	**23,553**	**(490)**	**(2.0%)**	**28,216**	**4,663**	**16.5%**	**116,883**
GEB Capital Payments	**13,493**	**13,617**	**124**	**0.9%**	**13,612**	**(5)**	**(0.0%)**	**55,204**
Total Expenditures	**308,770**	**310,522**	**1,752**	**0.6%**	**324,427**	**13,904**	**4.3%**	**1,383,415**
Annual Surplus/(Deficit) before AirCare	**(11,927)**	**3,905**	**15,832**	**132.7%**	**(4,881)**	**8,786**	**180.0%**	**(53,173)**
B. Cumulative Funded Surplus								
Opening Balance	**287,720**	**294,793**	**7,073**	**2.5%**	**275,011**	**19,782**	**7.2%**	**275,011**
Surplus/(Deficit) for the year	(11,927)	3,905	15,832	(132.7%)	(4,881)	8,786	180.0%	(53,173)
Closing Balance	**275,793**	**298,698**	**22,905**	**8.3%**	**270,130**	**28,568**	**10.6%**	**221,838**

* The funded statement of operations does not include AirCare as it is a self-funded program

Appendix 1 Bus Operations

	YTD Q1 2012 Actual	YTD Q1 2013 Actual	Fav./(Unfav.) Year over Year	YTD Q1 2013 Budget	Fav./(Unfav.) Actual vs. Target
CONVENTIONAL TRANSIT (BUS)					
Customer					
Overall performance rating out of 10	7.6	7.8	0.2	7.6	0.2
Complaints per 1 million boarded passengers	103.6	126.5	(22.9)	107.0	(19.5)
Preventable collisions per million kms.	9.1	4.7	4.4	9.1	4.4
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.3	8.5	0.2	8.5	-
Delivered service hours/scheduled	99.71%	99.53%	(0.18%)	99.50%	0.03%
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.114	$0.119	$(0.005)	$0.121	$0.002
Mean distance between vehicle failures	28,302	24,723	(3,579)	31,658	(6,935)
People					
Lost time frequency (per 200,000 hours worked)	5.68	5.58	0.10	5.56	(0.02)
Service Statistics					
Service Hours	1,244,663	1,202,570	(42,093)	1,206,449	(3,879)
Service Kilometres	24,205,857	23,893,443	(312,414)	23,739,994	153,449
CMBC					
Customer					
Overall performance rating out of 10	7.6	7.8	(0.2)	7.6	0.2
Complaints per 1 million boarded passengers	104.1	127.6	(23.5)	110.7	(16.9)
Preventable collisions per million kms.	9.1	4.5	4.6	4.3	(0.2)
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.3	8.5	0.2	8.5	-
Delivered service hours/scheduled	99.70%	99.51%	(0.19%)	99.50%	0.01%
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.114	$0.120	$(0.006)	$0.135	$0.015
Mean distance between vehicle failures	28,581	26,931	(1,650)	31,658	(4,727)
People					
Lost time frequency (per 200,000 hours worked)	5.68	5.58	0.10	5.56	(0.02)
Service Statistics					
Service Hours	1,189,408	1,148,661	(40,747)	1,152,336	(3,675)
Service Kilometres	22,986,153	22,684,804	(301,349)	22,532,094	152,710

(Continued)	YTD Q1 2012 Actual	YTD Q1 2013 Actual	Fav./(Unfav.) Year over Year	YTD Q1 2013 Budget	Fav./(Unfav.) Actual vs. Target
CONTRACTED SERVICES					
Customer					
Overall performance rating out of 10	8.2	8.4	0.2	-	-
Complaints per 1 million boarded passengers	88.6	97.2	(8.6)	-	-
Preventable collisions per million kms.	8.2	7.4	(0.8)	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.5	8.9	0.4	-	-
Delivered service hours/scheduled	99.95%	99.89%	(0.06%)	99.95%	(0.06%)
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.102	$0.100	$0.002	$0.103	$0.003
Mean distance between vehicle failures	23,916	9,747	(14,169)	-	-
Service Statistics					
Service Hours	55,255	53,908	(1,347)	54,113	(205)
Service Kilometres	1,219,704	1,208,639	(11,065)	1,207,900	739
ACCESS TRANSIT					
Customer					
Overall performance rating out of 10	8.4	8.3	(0.1)	-	-
Complaints per 1 million boarded passengers	908.5	864.7	43.8	868.8	4.1
Preventable collisions per million kms.	13.8	12.1	1.7	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.6	8.8	0.2	-	-
Delivered service hours/scheduled	100.00%	100.00%	-	100.00%	-
Service Statistics					
Service Hours	149,502	151,242	1,740	146,812	4,430
Service Kilometres	2,532,607	2,488,375	(44,232)	2,469,000	19,375

Appendix 2 Rail Operations

	YTD Q1 2012 Actual	YTD Q1 2013 Actual	Fav./(Unfav.) Year over Year	YTD Q1 2013 Budget	Fav./(Unfav.) Actual vs. Target
TOTAL RAIL					
Customer					
Overall performance rating out of 10	8.5	8.4	(0.1)	8.3	0.1
Complaints per 1 million boarded passengers	9.3	13.6	(4.3)	8.6	(5.0)
On-time performance % (within 2 minutes) Expo/Millenium	95.90%	96.50%	0.60%	94.50%	2.00%
On-time performance % (within 5 minutes) WCE	96.00%	97.10%	1.10%	97.50%	(0.40%)
Collisions and derailments per million kms.	-	-	-	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.1	8.3	0.2	7.5	0.8
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.038	$0.039	$(0.001)	$0.042	$0.003
Mean distance between vehicle failures	1,040,250	659,529	(380,721)	603,167	56,362
Overall mystery shopper score	92.1%	92.9%	0.8%	92.2%	0.7%
People					
Lost time frequency (per 200,000 hours worked)	1.55	3.34	(1.79)	3.20	(0.14)
Service Statistics					
Service Hours	350,072	330,416	(19,656)	327,610	2,806
Service Kilometres	13,804,438	13,018,058	(786,380)	12,903,177	114,881
West Coast Express					
Customer					
Overall performance rating out of 10	8.6	8.5	(0.1)	-	-
Complaints per 1 million boarded passengers	163.0	275.2	(112.2)	170	(105.2)
Service reliability (% service hours delivered)	100.0%	99.8%	(0.2%)	99.9%	(0.1%)
On-time performance within 5 minutes	96.0%	97.1%	1.1%	97.5%	(0.4%)
Collisions & Derailments per million kms.	-	-	-	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	-	-	-	-	-
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.083	$0.083	$ -	$0.088	$0.005
Mean distance between vehicle failures	252,666	167,731	(84,935)	224,090	(56,359)
Overall mystery shopper score	86.0%	89.6%	3.6%	87.0%	2.6%
People					
Lost time frequency (per 200,000 hours worked)	-	-	-	-	-
Service Statistics					
Service Hours	10,537	10,026	(511)	10,043	(17)
Service Kilometres	379,226	360,777	(18,449)	361,449	(672)

(Continued)	YTD Q1 2012 Actual	YTD Q1 2013 Actual	Fav./(Unfav.) Year over Year	YTD Q1 2013 Budget	Fav./(Unfav.) Actual vs. Target
Expo & Millenium Line					
Customer					
Overall performance rating out of 10	8.2	8.2	-	8.3	(0.1)
Complaints per 1 million boarded passengers	4.5	4.8	(0.3)	5.3	0.5
Service reliability (% service hours delivered)	99.8%	99.7%	(0.1%)	99.8%	(0.1%)
On-time performance %	95.9%	96.5%	0.6%	94.5%	2.0%
Collisions & Derailments per million kms.	-	-	-	-	-
Perception of Safety (On-Board & At stops and exchanges) out of 10	7.8	8.0	0.2	7.5	0.5
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.021	$0.023	$(0.002)	$0.025	$0.002
Mean distance between vehicle failures	687,585	491,798	(195,787)	379,078	112,720
Overall mystery shopper score	94.8%	93.6%	(1.2%)	91.0%	2.6%
People					
Lost time frequency (per 200,000 hours worked)	1.55	3.34	(1.79)	3.20	(0.14)
Service Statistics					
Service Hours	290,846	272,373	(18,473)	269,209	3,164
Service Kilometres	11,721,097	10,976,686	(744,411)	10,849,201	127,485
Canada Line					
Customer					
Overall performance rating out of 10	8.8	8.7	(0.1)	8.3	0.4
Complaints per 1 million boarded passengers	6.9	11.6	(4.7)	2.8	8.8
Perception of Safety (On-Board & At stops and exchanges) out of 10	8.6	8.7	0.1	8.5	0.2
Internal Effectiveness					
Operating Cost per capacity kilometre	$0.093	$0.095	$(0.002)	$0.095	$ -
Contract adherence monitoring	95.5%	95.6%	0.1%	98.5%	(2.9%)
Service Statistics					
Service Hours	48,689	48,017	(672)	48,358	(341)
Service Kilometres	1,704,115	1,680,595	(23,520)	1,692,527	(11,932)

Appendix 3 Allocated Costs between Divisions

Allocated Cost Breakdown
3 Months ending March 31, 2013 (with comparatives for 2012)

($ thousands)	YTD Actual	YTD Actual	Year over Year		YTD Budget	Variance to Budget	
	2012	2013	Change	%	2013	Fav./ (Unfav.)	%
Shared services costs allocated [1]							
CMBC	3,762	4,447	686	18.2%	4,928	480	9.7%
BCRTC	57	161	104	183.0%	158	(3)	(1.6%)
WCE	6	15	9	160.0%	15	1	3.6%
Canada Line	-	-	-	-	-	-	-
Police	11	293	282	2476.4%	326	33	10.2%
TransLink	(3,835)	(4,916)	(1,081)	28.2%	(5,428)	(512)	9.4%
Total	-	-	-	-	-	-	-
Costs administered by TransLink and allocated to subsidiaries [2]							
CMBC	4,570	5,061	492	10.8%	4,979	(82)	(1.6%)
BCRTC	1,056	1,124	69	6.5%	2,425	1,300	53.6%
WCE	2,897	3,125	228	7.9%	3,118	(6)	(0.2%)
Canada Line	380	575	195	51.1%	660	85	12.9%
Police	-	42	42	-	98	56	57.1%
Total	8,903	9,928	1,025	11.5%	11,281	1,353	12.0%
Total Allocated costs to Subsidiaries from TransLink							
CMBC	8,331	9,508	1,177	14.1%	9,907	399	4.0%
BCRTC	1,112	1,285	173	15.5%	2,583	1,298	50.2%
WCE	2,903	3,140	237	8.2%	3,134	(6)	(0.2%)
Canada Line	380	575	195	51.1%	660	85	12.9%
Police	11	335	324	-	424	89	21.0%
Total	12,738	14,844	2,105	16.5%	16,708	1,865	11.2%

[1] Includes Business Technology & Human Resources costs

[2] Includes property tax, building leases, insurance,fare media costs, and compass card operating costs

* Negatives represent allocations out, positives represent allocations in

Some costs incurred by the Business Technology group and the Human Resources Division are directly related to the operation of the subsidiaries. As a result, it was decided late in 2012 that these costs would be allocated back to the appropriate divisions. Human Resources costs are allocated based on headcounts whereas Business Technology costs are allocated based on operating usage.